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traffickers. By merging this evidence into the prosecution of a DTO firearms supply chain, the parties could be exposed to Federal organized crime charges (RICO, CCE, VICAR) and the maximum penalties allowable by law.

(U//LES) ATF OSII is monitoring and collecting information from the major ATF SWB investigations. OSII has established points of contacts and has personnel supporting Project Gunrunner investigations that are assigned to other U.S. Federal agencies at their headquarters level. OSII is merging case information with all available unclassified and classified information from all our U.S. and international partners.

(U//LES) ANALYTICAL CRITERIA USED TO COMPILE THE STATISTICS CONTAINED IN THIS REPORT

Please be advised that a significant number of Mexico traces are currently being entered into the Firearms Tracing System (FTS); therefore, the Mexico recovered and traced data (especially CY 2009) will continue to change.

All of the following statistics have the following selection criteria in common:

- Traces with a recovery country of Mexico were included.
- Traces with a recovery date between January 1, 2009, and December 31, 2009, were selected; the statistics are based on a query of the FTS on June 15, 2010.
- Traces with a recovery date between January 1, 2008, and December 31, 2009, were selected; the statistics are based on a query of the FTS on March 9, 2010.
- Duplicate, Gun Buyback, Firearm Turned-in, and Firearm Not Recovered traces were not included.

MEXICO FIREARMS TRACING

(U//LES) It has been the stance of the GOM that the United States is solely responsible for the weapons being trafficked into Mexico. The Mexican media has fueled discussions that Mexico has a shared responsibility to confront the weapons trafficking into Mexico as well. The GOM rarely submits consistent requests for traces to ATF's National Tracing Center for the firearms recovered in Mexico. In the past several years, Mexican authorities have submitted requests, through eTrace, for less than 10 percent of all firearms recovered in Mexico. Furthermore, Mexican authorities do not provide ATF with the firearms data from those recoveries in a timely manner. In order for ATF to facilitate the tracing of these firearms, ATF obtains the firearms data from the Mexican authorities, other U.S. authorities or personally inspects the weapons.

(U//LES) Each year, ATF receives trace data from GC Armas reports, urgent requests for tracing, and CD(s) with data from thousands of recovered firearms. ATF started receiving a CD with several thousand firearms, and over the last few years the data on the CDs grew to more than 10,000 firearms. Finally, in August 2009, the Mexican military provided a CD containing an inventory of 64,227 entries for seized firearms, grenade launchers and ammunition being stored from recoveries from CY 2005 to August 2009. There were more than 62,000 firearms data entries, of which almost 18,500 or 30 percent were found to have been previously traced.

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The additional firearms data substantially changed the statistical information for that time period and the analysis of the 2008 Project Gunrunner Assessment.

(U//LES) The PGR's Center of Information, Analysis, and Planning to Fight Crime (CENAPI) was provided 10 computers and additional eTrace accounts in October 2009. They were given additional accounts, boosting them to 10. In March 2010, the Mexican Attorney General announced that he wanted all Mexican State law enforcement agencies to have eTrace access. The Mexican Federal Police (SSP) and some State governments have requested hundreds of accounts. The PGR has severely limited the dissemination of the accounts. The PGR/CENAPI maintains that they are capable of tracing all firearms seized in Mexico and therefore must assert its control of the eTrace system. The PGR reports that the GOM confiscated more than 83,000 weapons since December 2006. As previously stated, the PGR has an extremely poor record of tracing those weapons in eTrace during this time period. The PGR's current personnel levels and structure make it very highly unlikely to fulfill the task. It is imperative that to effectively stem the flow of firearms, eTrace must be utilized in a timely and efficient manner by entering the firearms data at the crime scene or shortly thereafter. The GOM should ensure that the proper personnel are dedicated to collecting the firearms data and submitting the traces in eTrace.

(U//LES) From CY 2007 to CY 2009, almost **ATF** firearms were recovered in Mexico and submitted to ATF's National Tracing Center for tracing. Of those, almost **ATF** were traced to the first retail purchaser. The top 5 acquisition States (source States) were **ATF** and New Mexico **ATF**.

The "source States" are basically consistent each calendar year. The percentages of firearm recoveries per State for each of the calendar years (CY 2007 - CY 2009) are within a half percent. The total number of firearms traced to the first retail purchaser is consistently **ATF** of the total number of firearms recovered and traced in each of the calendar years (CY 2007 - CY 2009).

(U//LES) It is important to note that when analyzed by date of purchase in relation to date of recovery (i.e. "time to crime"), the data yields a different picture of significant "source States." For example, overall California was the second highest "source State" for firearms recovered in Mexico in CY 2009. However, there were only **ATF** of the total firearms recovered in Mexico in CY 2009, purchased in California, that had a time-to-crime (TTC) of 1 year or less. Furthermore, there were **ATF** recovered in Mexico in CY 2009 and traced to California with a TTC of 5 years or less. This data highlights that California's significance as a "source State" to Mexico is most likely dated and will likely diminish as the existing, dated source pool of firearms runs out. The California firearms registration and gun show laws, along with their strict enforcement, appear to have a severe impact on the straw purchasing of firearms.

(U//LES) Additionally, the type of firearm and the intended user are important to determine in order to differentiate between firearms trafficking to a DTO or other users. Of the **ATF** traces noted above, there were **ATF**

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ATF

The rifles were en route to the rural areas of Oaxaca, Mexico. Investigation revealed that the rifles were not being sent to a DTO. Under Mexican law, a .22 caliber rifle can be legally possessed in Mexico if it is registered. Only the remaining ATF firearms with a TTC of 1 year or less and the ATF firearms, for a total ATF with a TTC of 5 years or less were potential DTO crime guns.

(U) *It is important to adopt these principles to determine the current DTO firearms trafficking trends and patterns.*

2009 Mexico Firearms Tracing

(U//LES) As of June 25, 2010, the National Tracing Center processed ATF firearms submitted for tracing that were recovered in Mexico during calendar year 2009. This is down ATF from the approximate ATF firearms recovered and traced in 2008. Using open source reporting as an indicator, there were most likely several thousand more firearms recovered in Mexico in 2009. It should be noted that the CD tendered in August 2009 only had information of firearms seized until July 2009. Since then, the Mexican authorities have gone back to their practice of not providing ATF with all their recovered firearms data in a timely manner.

(U//LES) Of the ATF percent were traced to the first retail purchaser. Of those, the top 5 acquisition States (source States) were ATF. ATF. The other top source States were States surrounding the ATF and States surrounding the ATF. Within the continental United States, only Maryland and the District of Columbia did not have any firearms traced back to individual purchasers. The average TTC for 2009 was ATF years.

(U//LES) A total ATF firearms recovered in Mexico were identified as having been sold from an FFL at a gun show. This represents on ATF percent of all firearms recovered and traced from transactions by FFLs at gun shows nationwide in CY 2009. This percentage is slightly higher in ATF, respectively. Only ATF firearms recovered in Mexico were identified as having been stolen from an FFL; this number, while minimal, is still slightly higher than the previous 2 years. *(It is important to note that these statistics only deal with FFL transactions at gun shows; private sales at gun shows are unregulated at the Federal level and no comprehensive data set exists for private firearms sales.)*

CARTEL-CONTROLLED LANDSCAPE AND FIREARMS TRAFFICKING

ATF

(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTO)/Cartels in areas throughout Mexico at the end of 2008.

(U//LES) Entering 2009, the DTO supply chains were faced with additional demands for firearms and ammunition in three areas. The Sinaloa cartel exerted their power in the State of Baja California against the Tijuana cartel and in the State of Chihuahua against the Juarez cartel, in a bid to gain control of these crucial cross-border transportation territories. This aggression, along with the military and law enforcement response, fueled additional demands for firearms, ammunition, explosives and other equipment. Their supply chains had to adapt to the increased demands and the transportation routes to the battleground areas. A major contributing factor for their success is that they meet the demand for manpower and firepower to overpower their rivals.

(U//LES) In 2006, La Familia Michoacána severed their alliance with the Gulf, Los Zetas and Beltran-Leyva cartels. They established their own firearms supply chains to gain power and facilitate the needs for their expansion. In 2009, they gained the majority control in their home State of Michoacán.

(U//LES) The Gulf cartel and Los Zetas suffered the loss of hundreds of firearms and explosives as a result of Mexican Government operations targeting them in mid 2008 and throughout 2009. Los Zetas suffered additional losses in Guatemala and Honduras.

(U//LES) By mid 2008, the Beltran-Leyva Organization's (BLO) battles with the Sinaloa cartel began to subside, and they secured their own areas of control in the coastal areas of southern Mexico and made inroads into the State of Sonora. La Familia had launched a campaign to take control of the State of Michoacán.

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2009 Mexican Organized Crime Related Gun Seizure Events

(U//LES) The Southwest Border Field Intelligence Support Team and EPIC have identified 329 Mexican seizure events in 2009 that were linked to specific DTOs based upon the reporting from open source and Mexican Governmental agencies. From the DTO-related seizure events, 126 events were matched to **ATF** firearms recovered and submitted for tracing. Of the **ATF** firearms, **ATF** was the top acquisition State in 2009 with the purchase of **ATF**



(U) The above map(s) depicts the majority command and control by the Drug Trafficking Organizations (DTO)/Cartels in areas throughout Mexico at the end of 2009.

GULF CARTEL/LOS ZETAS

(U//LES) Throughout 2009, Los Zetas and the Gulf cartel faced mounting opposition from the Mexican military and law enforcement authorities. Their rivals, the Sinaloa cartel and La Familia Michoacána, escalated the attacks against them. Their organizational tensions began to threaten their longstanding relationship. In spite of the enormous amount of aggression from every entity around them, they maintained control of all of their previous areas and expanded their control into portions of the State of Chiapas, Mexico, and the bordering nation of Guatemala. The U.S. Department of Justice and several Federal, State and local law enforcement agencies are vigorously pursuing arrest and prosecution of the Gulf cartel and Los Zetas hierarchy and key operatives.

(U//LES) From April 29, 2009, to August 28, 2009, ATF's Gun Runner Impact Team (GRIT) in the Houston Field Division conducted a successful firearms trafficking offensive in the south Texas area. The Houston GRIT was a supplemental initiative to ATF's Project Gunrunner. Extensive community outreach was conducted in conjunction with the Houston GRIT, including

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press releases, press conferences, and interviews with national or international news media. This intelligence-driven initiative focused on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico. They aggressively targeted firearms traffickers supplying criminal organizations in Mexico. The GRIT identified several firearms supply chain components, the majority of which were linked to the Gulf cartel and Los Zetas.

(U//LES) The most significant impact was on the acquisition (straw purchasing) component of these firearms supply chains. ATF industry operations investigators completed nearly 1,100 inspections of Federal firearms licensees (FFL), issued more than 440 violations, and recommended 78 adverse actions. These regulatory actions helped to identify and correct the neglectful compliance by the FFLs that straw purchasers had been exploiting. ATF partnered with the FFLs and provided training in identifying and dealing with illegal purchasers (straw) and firearms traffickers. The Houston GRIT successfully investigated more than 700 existing leads and more than 400 new leads that were developed during the operation. There were 276 new criminal and intelligence cases opened involving 189 suspects, and 644 firearms were identified as being trafficked to Mexico. The Houston GRIT seized 443 firearms, 141,442 rounds of ammunition and 3 blasting caps. They provided information to Federal, State, and local law enforcement partners that resulted in the seizure of an additional 171 firearms, bringing the total to 614 seized firearms.

(U//LES) The Houston GRIT's preventative tactics, criminal investigations and firearms seizures definitely affected the Gulf cartel and Los Zetas' ability to acquire firearms in a "business as usual approach." These efforts also effectively brought law enforcement's attention, at all levels, on the FFLs that were regularly utilized by the straw purchasing rings on behalf of the DTOs. All of these factors had an impact on the Gulf cartel and Los Zetas at a time when they were facing major offensives from the Mexican authorities and their rivals, as well as while experiencing internal turmoil.

Los Zetas/Gulf Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Gulf cartel and Los Zetas in 117 Mexican seizure events in which they were named separately (Zetas 70%, Gulf 30%) and together. The top seizure event States in Mexico are: 24 (21%) in Nuevo Leon; 16 (14%) in Tamaulipas; 15 (13%) in Jalisco; 9 (8%) in Chiapas; and 8 (7%) in Veracruz. According to the open source reporting, there were 892 firearms and 782 grenades recovered in 21 Mexican States, with 19 or 20 percent occurring in the State of Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Gulf cartel/Los Zetas had recoveries in 16 different States in Mexico. There were ATF firearms

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recovered and traced that matched the open source seizure events. Of the ATF firearms recovered and traced, ATF

these purchases occurred in ATF The average TTC is ATF

Significant Investigation:

(U//LES) In 2007, an investigation involving an FFL was opened in Houston, Texas, that led to the identification of a large-scale firearms trafficking organization. The investigation uncovered more than 23 participants involved in illegally acquiring and trafficking firearms. After numerous interviews with straw purchasers, three individuals residing in the Houston area were ultimately identified as the leaders of this trafficking ring. The investigation revealed that a high-ranking member of the Los Zetas organization provided the financing to one of the leaders for the firearms.

(U//LES) Throughout 2009, 16 individuals have been charged with firearms trafficking violations in the case. Several individuals have cooperated in this investigation and provided intelligence as to the workings of this trafficking organization. Approximately 336 various firearms, to include Bushmaster AR-15 rifles, Beretta 9mm pistols and FN 5.7 pistols, were purchased by this firearms trafficking organization. To date, 88 of these firearms have been recovered in Mexico, and 4 have been recovered in Guatemala. The firearms have been traced to 51 separate incidents in Mexico, in which 18 law enforcement officers and civilians have died, along with 37 DTO gunmen.

SINALOA CARTEL

(U//LES) Continuing throughout 2009, the aggressive actions of the Sinaloa cartel raged fiercely in and around the areas of Tijuana, Baja California, and Juarez, Chihuahua. The Beltran-Leyva expanded their presence in the State of Sinaloa and established a greater presence along the coast of the State of Sonora. The Sinaloa cartel gained the majority control in the State of Chihuahua and the eastern portion of the State of Sonora. They provided the additional manpower and resources to focus on the remaining forces of the Juarez cartel and gang associates. Also, they prepared for a confrontation with Beltran-Leyva in Sonora. All of these factors led to an extremely high demand to quickly obtain firearms, ammunition and equipment. This tasked the rival cartel members in charge of the firearm supply chains to obtain and transport record numbers of firearms to these hotspots.

Sinaloa Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Sinaloa cartel's involvement in 45 seizure events in Mexico. The top seizure event States in Mexico are: 20 (44%) in the State of Chihuahua; 11 (24%) in Sinaloa; and 5 (11%) in Jalisco. According to the open source reporting, there were 578 firearms and 60 grenades recovered in 9 Mexican States.

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(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Sinaloa cartel had [ATF] different States in Mexico. There were [ATF] firearms recovered and traced that matched the open source seizure events. Of [ATF] firearms recovered and traced, [ATF] were successful in identifying the first retail purchaser [ATF] these purchases occurred in Arizona.

JUAREZ CARTEL

(U//LES) The Mexican military and law enforcement authorities were not successful in stopping the drug war in the State of Chihuahua. For more than 2 years, violent confrontations have raged between the Juarez and Sinaloa cartels. The cartel battles coupled with the intervention by the Mexican authorities have caused the loss of thousands of lives. The besieged Juarez cartel and their enforcement arm, La Linea, turned to the U.S.-Mexican gang, Barrio Azteca, to help them fend off the Sinaloa cartel. The Sinaloa cartel's control of the State of Chihuahua places the Juarez cartel under siege within portions of the city of Juarez. Their drug supply chains are cut off. Their firearms cross-border supply routes are restricted to the El Paso-Ciudad Juarez area where the Sinaloa cartel is gaining almost complete control. Without a breakthrough, the Juarez cartel will be dismantled or exterminated.

Juarez Cartel - La Linea - Barrio Azteca - 2009 Firearms Data:

(U//LES) During CY 2009, OSIF's collection of open source reporting identified the Juarez cartel, La Linea and Barrio Azteca's involvement in 24 seizure events in Mexico. All of the seizure events occurred in the State of Chihuahua. According to the open source reporting, there were 64 firearms and 6 grenades recovered in these seizure events.

(U//LES) The open source reporting of seizure events in the State of Chihuahua lacks the reference to DTO affiliation and firearms information that prevents the matching of the data from the firearms recovered and traced in this State.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. There were only 2 (8.3%) seizure events that matched the aforementioned 24 open source seizure events. There were a total of 181 seizure events in the State of Chihuahua in 2009, and from those there were 109 seizure events in Ciudad Juarez. The 24 Juarez cartel open source seizure events only account for 13 percent of the total 2009 seizure events. The Sinaloa cartel was confronting the Juarez cartel in the State during this time, and they only account for 20 seizure events or 11 percent of the total open source seizure events. These 44 events account for only 24 percent of the total open source seizure events and leave 137 seizure events not identified as being associated with a DTO.

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(U//LES) *Insufficient information was submitted to ATF's National Tracing Center for almost all of the firearms recovered and traced in the State of Chihuahua in 2009. The insufficient information prevented the matching of the trace data to the corresponding seizure events.*

(U//LES) In 2009, the Mexican authorities in Chihuahua did not provide written official or open source reports on firearms recovered, and this precluded OSII from matching the firearms trace data to the seizure events. Rarely will the firearms trace data from a recovery in Mexico provide any information pertaining to the firearm's affiliation to a drug trafficking organization. The firearms recovered and traced information can only be matched to the analyzed open source reporting by having sufficient possessor, date and location information from the trace data.

(U//LES) There were **ATF** firearms submitted to ATF's National Tracing Center for firearms recovered and traced from the State of Chihuahua in 2009. This information is almost entirely nonexistent as evidenced by the fact that there were only 10 firearms identified in the 2 seizure events that matched Juarez cartel open source reporting. None were identified as matching La Linea and Barrio Azteca. Furthermore, there were only 5 of the 20 Sinaloa open source seizure events that matched **ATF** firearms recovered and traced in Chihuahua the same year. These **ATF** firearms only account for **ATF** the total firearms submitted for tracing in 2009.

(U//LES) There were 946 firearms or 29 percent of the total firearms recovered and traced that **ATF** the first retail purchaser. The trace information is valuable in **ATF**. However, without the DTO and seizure event information, the opportunity to expand the scope of the investigation and prosecution may be lost. The remaining

ATF

TIJUANA CARTEL

(U//LES) The fighting between the two factions of the Tijuana cartel continued throughout 2009. The fighting since February 2009 and the Mexican Government's intervention caused high demands for firearms and ammunitions. Their supply chains along the entire west coast and in Phoenix met these demands. According to Mexican authorities, the Sinaloa cartel and La Familia are also present in Baja California. The Sinaloa cartel is transporting bulk loads of drugs into Baja California for shipment to the United States. Mexican authorities have recovered large amounts of drugs, firearms, ammunition and cash from the Sinaloa in this area.

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Tijuana Cartel/EL TEO – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Tijuana cartel and the El Teo DTO in 34 seizure events in Mexico. According to the open source reporting, there were 259 firearms and 4 grenades all recovered in Baja California.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Tijuana cartel and El Teo DTO had recoveries in Baja California. There were [ATF] firearms recovered and traced that matched the open source seizure events. Of the [ATF] firearms recovered and traced [ATF]

ATF

LA FAMILIA MICHOACANA

(U//LES) While La Familia Michoacána was establishing majority control in the State of Michoacán, they were also restructuring and expanding. They sent organizational members from Mexico and positioned them throughout the United States. These leaders had direct control of their retail distribution and supply chains within these areas. In doing so, they gained a substantial amount of profits from the U.S. retail market and greatly increased their drug trafficking abilities, which in turn elevated their organization to cartel status. All of these factors caused a greater demand for firearms and ammunition on their supply chains to protect their interests in Mexico.

(U//LES) In October 2009, the U.S. Department of Justice's Project Coronado dealt a devastating blow to La Familia's U.S. operations that severely impacted the entire organization. The 44-month investigation led to the arrest of more than 1,186 people and the seizure of approximately \$33 million, 7.5 metric tons of marijuana, 2 metric tons of cocaine, 13 kilograms of heroin, 1,240 kilograms of methamphetamine and 389 firearms. This once-emerging organization is now in the position of having to make alliances with other organizations to maintain their current status.

La Familia Michoacána – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified La Familia's involvement in 53 seizure events in Mexico. The top seizure event States in Mexico are: 25 (47%) in Michoacán; 13 (24%) in Mexico State; 7 (13%) in Guanajuato; and 6 (11%) in Guerrero. According to the open source reporting, there were 339 firearms and 68 grenades recovered in 5 Mexican States.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the

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events. From the matching trace data the La Familia had recoveries in the same five States in Mexico as in open source reporting. There were [REDACTED] ATF reported) firearms recovered and traced that matched the open source seizure events. Of the [REDACTED] ATF

ATF

Significant Investigation:

(U//LES) In September 2008, ATF targeted an individual that paid cash in a multiple sale purchase of 20 AK-47 type rifles in Fort Worth, Texas. The investigation revealed that the target oversaw the purchases by numerous straw purchasers. The majority of the firearms purchased were AK-47 assault-style rifles and .50 caliber sniper rifles. It was determined that La Familia organization members from Mexico were in the United States and were part of this investigation. Hundreds of firearms were being transported to organization members in the State of Michoacán, Mexico.

(U//LES) Agents determined that some of these perpetrators were targets in a major Drug Enforcement Administration (DEA) investigation involving the La Familia DTO at which time a joint OCDEF investigation was initiated. Intelligence gleaned indicated that a high-ranking La Familia cartel member, who resided in Mexico, would contact buyers positioned throughout the United States for the acquisition of firearms to be transported into Mexico. Through numerous interviews and debriefs, investigators learned that the weapons were used primarily to protect the organization's narcotic manufacturing sites and to engage in drug war battles with other cartel organizations. On October 21, 2009, ATF executed six search warrants, recovering 15 firearms and arresting 10 defendants while participating in the take-down of the Department of Justice's Project Coronado.

BELTRAN-LEYVA ORGANIZATION

(U//LES) The Beltran-Leyva Organization (BLO) lost majority control of the State of Michoacán to La Familia. They maintained control of their remaining southern coastal States, the coast of Sonora and coastal portions of Sinaloa. The BLO maintained a strong relationship with Los Zetas in 2009. The BLO has arrangements with the Los Zetas to use their cross-border trafficking routes in Mexico along the south Texas border. The impending confrontation in the State of Sonora between the Sinaloa and Beltran-Leyva cartels came to a halt in mid December 2009, after the death of the BLO leader, Arturo Beltran Leyva, and the arrest of his brother, Carlos Beltran Leyva. This allowed the Sinaloa cartel to forge all the way to the U.S. border without any significant opposition.

Beltran-Leyva Organization – 2009 Firearms Data:

(U//LES) During CY 2009, OSIF's collection of open source reporting identified the Beltran-Leyva Organization's involvement in 30 seizure events in Mexico. According to the open source

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reporting, there were 349 firearms and 78 grenades recovered in 9 Mexican States. The top seizure event States in Mexico are: 7 (23%) in Guerrero; 7 (23%) in Morales; and 4 (13%) in Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data there were recoveries in [ATF] There were [ATF] firearms recovered and traced that matched the open source seizure events. Of the [ATF]

[ATF]

2010 Updates

AREAS OF CARTEL INFLUENCES IN MEXICO - 2010



(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTOs)/Cartels in areas throughout Mexico around May of 2010.

(U) The battling by the two factions of the Tijuana cartel ended without a clear winner after the arrest of the leader of the challenging faction.

(U//LES) In 2009, the mounting tensions between the Gulf cartel and Los Zetas began to take its toll on their longstanding relationship. A shooting incident in February 2010 sparked major ongoing hostilities in the States of Nuevo Leon and Tamaulipas. The Sinaloa cartel and La Familia have aligned themselves with the Gulf cartel members in this area.

(U//LES) From 2009 into 2010, the Sinaloa cartel continued to expand and gain territorial control in Mexico. They gained control up to the Mexico side of the U.S. border from the

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eastern half of Arizona to east of El Paso, Texas. As a result, they have set up new cross-border firearms trafficking routes as far east as El Paso. They are now able to route firearms to disputed areas adjacent to the territory controlled by the Gulf cartel and Los Zetas. This provides the Sinaloa cartel a greater advantage to deliver firearms to the region at a time that the Gulf cartel and Los Zetas are engaged in a battle.

CONCLUSION

(U) ATF remains at the forefront of the battle to eliminate the flow of firearms and munitions to Mexican DTOs. The demand by these organizations for U.S.-sourced firearms has never been greater. They have amassed enormous arsenals of semiautomatic and automatic assault rifles, machine guns, grenades and explosives. With these arsenals of weapons, they have handily confronted every level of Mexican law enforcement and the military. The territorial conflicts, internal battles and criminal violence have spiraled to unprecedented levels. These conflicts have risen to a level that some outside entities believe may even challenge Mexico's national security.

(U) ATF's Project Gunrunner is a huge undertaking that is expanding and adapting to meet the intelligence, investigative, and prosecutorial needs of international firearms trafficking cases. ATF is working in close collaboration with its domestic and international law enforcement partners to halt the violence along the Southwest border and throughout Mexico by denying the cartels the firearms, ammunition, and explosives that are essential for them to maintain power and control. However, OSII expects that the amount of violence, the number of seizure events and the number of firearms recovered will continue to increase throughout Mexico in FY 2010.

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EXECUTIVE SUMMARY

(U//LES) This report is an assessment of armaments illegally acquired and trafficked to Mexico in 2009, focusing on the drug trafficking organizations (DTOs), through the examination of the illegal acquisition, transportation, distribution, and recovery of these arms. The primary objective of this assessment is to provide information in support of Southwest border trafficking investigations and/or to assist operational planning and support initiatives. It was developed by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Southwest Border-Field Intelligence Support Team, El Paso Intelligence Center (EPIC), International Affairs Office (IAO), and the Violent Crime Analysis Branch, with assistance from the Field Operations Division and the National Tracing Center.

(U//LES) The Cartel Controlled Landscape and Firearms Trafficking portion section in this report provides an overview of the DTOs' ongoing confrontations for control of territory in Mexico throughout 2009. The turf wars are still active as of the writing of this report, with ongoing violence especially in the Mexican border cities of Reynosa, Nuevo Laredo, Ciudad Juarez and Tijuana. There are drastic changes in DTO alliances in 2010. The Gulf and the Sinaloa cartels have aligned themselves with La Familia Michoacana to form the New Federation to fight Los Zetas.

(U//LES) ATF's Office of Strategic Intelligence and Information will be compiling a 2010 Executive Summary of the changes to the DTOs' structure and firearms trafficking methodology to immediately follow this report.

MEXICAN ORGANIZED CRIME – FIREARMS TRAFFICKING METHODOLOGY

(U) The Mexican cartels are multifaceted criminal enterprises that are engaged in narcotics trafficking, firearms trafficking, money laundering and various other types of criminal activity. The Mexican cartels operate worldwide as transnational criminal enterprises. There are scores of Mexican drug trafficking organizations (DTOs), all of which have various degrees of affiliation to a cartel. The U.S.-Mexico transportation methodology utilized by the cartels is the result of decades of countering enforcement operations through effective intelligence collection. As a result, they have established systems of layered compartmentalized organizations with limited operational knowledge to form acquisition, supply and transportation networks. These networks are highly successful and extremely resilient. The identification, interdiction and prosecution of these networks are extremely arduous.

(U) The cartels maintain a supply of firearms through a process similar to the practice known as the Pull System. Under this process the financing, acquisition, storage and transportation (supply chain) are performed by compartmentalized components in line with one another to minimize detection, disruption and prosecution. This is a demand-based process wherein ranking DTO

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leaders in Mexico acquire the needed firearms, explosives and other equipment by controlling the entire process through strict orders and oversight of the supply chain. The communications throughout the supply chain are of vital importance in maintaining control and give the leadership the ability to protect their interest and deflect or minimize any risks. In the event that one of the components (links) of the supply chain is compromised, that component can be replaced with minimal disruption to the rest of the chain because of the component's limited operational knowledge.

(U) The firearms supply chain contains two distinct component types that are tactically used in varying degrees. The first component type is directly managed and operated by DTO members. This type is mainly utilized in the financing, transportation, storage and distribution of firearms components in Mexico. The second component type is the outsourcing of services by the DTOs to independent operators. The straw purchaser component in any supply chain is comprised almost entirely by independent operators. The DTOs utilize independent operators within the United States to avoid risk to DTO members or when their resources are limited.

(U) The DTOs' demand for firearms soars when they encounter heavy military and law enforcement offensives against them and/or a spike in internal and territorial conflicts. In the quest to identify and dismantle the supply chain components, it is essential to know the cartel landscape, the territorial conflicts and the operational environment in Mexico. The assessment of the acquisition and trafficking of firearms by the Mexican DTOs is a very challenging task due to the ever changing alliances that make up the structure of each drug cartel.

ATF

... purchasing component in a supply chain is rarely identified through trace information and human intelligence (HUMINT). The collection of HUMINT that would provide information identifying other components (links) is severely limited because the majority of the individuals in this component are independent operators.

(U) The average penalty for firearms trafficking ranges from approximately 12 to 30 months. A person that confines their criminal activities to being a low-volume straw purchaser would have a good chance of receiving probation. There is a willing pool of firearms traffickers and straw purchasers because there is minimal risk of lengthy incarceration.

(U//LES) In examining just the magnitude of the weapons being recovered in Mexico, it gives the impression that identifying and stemming the flow would be easy. The volume of weapons does not equate to large shipments of weapons crossing the border. With all of the advanced detection equipment and highly trained personnel, we have not produced a pattern of massive seizures that the volume suggests, to substantiate this methodology. Furthermore, the vast majority of the seized weapons in Mexico do not come from seizures at the border. They are recovered when confronting DTOs and by raiding DTO hideouts and stash houses. Illicit

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weapons are confiscated at other crime scenes and checkpoints where the possessors are not related to a DTO. Based on this, it appears that the "ant trafficking" methodology is more likely the cross-border firearms transportation scenario.

(U) The Mexican Attorney General's Office (PGR) has released conflicting views on the firearms trafficking methodology by criminal organizations. In an Arms Trafficking Report the PGR produced in April 2008, it was officially stated that DTOs had members designated to ensure that firearms are procured in the United States and transported to Mexico. One year later, the PGR disseminated another report in which it stated that the DTOs were relying on independent operators or organizations to procure the weapons and sell them to the DTOs. This contributes to the OSII conclusion that there is a combination of both.

DTO SUPPLY CHAIN MODEL:

ATF

(U//LES) The straw purchasers spent more than \$1.5 million for these firearms. In addition, these individuals have obtained hundreds of high-capacity magazines and tens of thousands of rounds of ammunition, driving their expenditures to nearly \$2 million. Approximately 25 percent of the firearms purchased by these individuals were recovered. The firearms had very little value. Some of the firearms, along with the magazines, were recovered while in transit or in stash houses along the border in Arizona and in El Paso, Texas. The location of these seizures is compatible with the Sinaloa's territorial control along the border in Mexico. The rest of the firearms were recovered in the Mexican States of Baja California Norte and Sur, Sonora, Chihuahua, Sinaloa, Guerrero and Durango. A full list of the recovered firearms is available in the

ATF

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DTO OUT-SOURCING MODEL:

ATF

(U//LES) The target pleaded guilty and provided information as to his illegal firearms trafficking activities. He admitted that he was an independent operator that solicited the services of other straw purchasers, transported the firearms to southern Mexico and delivered them to the Mexican buyer. The buyer and two additional recipients of the firearms were identified. Based on information provided by ATF, the Mexican Secretariat of Public Safety (SSP) executed a search warrant and arrest warrant for the Mexican buyer that resulted in the recovery of 12 additional firearms. This case highlights the outsourcing firearms supply chain model.

MEXICO FIREARMS AND EXPLOSIVES SEIZURE EVENTS

(U//LES) The U.S. Government's ability to inspect the firearms and explosives seized throughout Mexico is limited. ATF and the Mexican military created the Combined Explosives Investigative Team (CEIT) to respond to major explosives seizure locations throughout Mexico. One of the main CEIT functions is to collect evidence for laboratory examinations. Currently there is not a similar joint unit to respond and collect evidence and conduct firearms examinations. In Mexico, all seized firearms must be turned over to the military within the short time period mandated by law. A formal request must be submitted to inspect the firearms once in military storage. All explosives are turned over to the military. There is a very limited amount of U.S. personnel available to respond to the location of the evidence. As a result, U.S. authorities must rely on Mexican authorities for this information.

(U//LES) The Government of Mexico (GOM) does not have a system in place to provide the United States Government with real-time official Government seizure event information that provides the recovery of all firearms and explosives in Mexico, the affiliation to organized

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crime groups and all the markings needed to trace these weapons. In the regularly scheduled GC Armas meetings in Mexico City, Mexican authorities provide U.S. authorities with a hard copy list of some of these seizure events. In most firearms and explosives seizure events, the Mexican authorities provide written press releases to media outlets throughout Mexico. In the larger seizure events, the authorities hold live press conferences and display the seized items and the people detained.

(U//LES) Since the inception of Project Gunrunner, ATF has compensated for the lack of official GOM seizure event information by collecting Mexican Government press releases and the open source reporting of firearms and explosive seizure events throughout Mexico. The information is collected and disseminated daily to our U.S. and Mexican law enforcement and military partners. It is essential to determine the identity of the DTO for each reported seizure event. Armed with this information, ATF would be able to effectively trace the weapons, analyze the data, and provide effective tactical and strategic intelligence that would severely disrupt U.S. commercial-sourced firearms trafficking to Mexico.

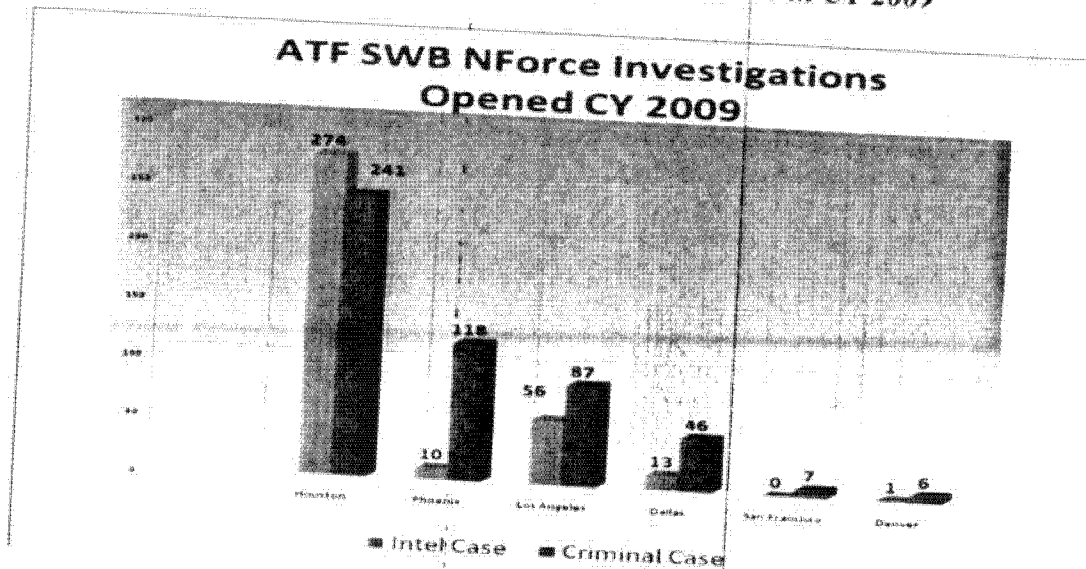
SOUTHWEST BORDER (SWB) FIREARMS TRAFFICKING INVESTIGATIONS

(U//LES) There were 2,410 intelligence and criminal cases opened in N-Force in CY 2009 with the investigative profile, Project Gunrunner (SWB-Southwest Border Project). The field divisions and the Mexico Country Office (MCO) opened 517 criminal cases. There are several SWB Gunrunner investigations that were opened as Organized Crime Drug Enforcement Task Force (OCDETF) cases in 2009, and others were carried over from previous years.

(U//LES) The Houston Gun Runner Impact Team (GRIT) generated a significant number of cases in 2009. The MCO and the New Orleans Field Division each opened three SWB criminal cases. The Atlanta, Detroit, Kansas City, Nashville, Seattle and St. Paul Field Divisions all opened one SWB criminal case. The Detroit Field Division was the only one to open a SWB intelligence case.

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(U//LES) The below chart is a listing of the criminal and intelligence SWB files opened by the top 6 field divisions in CY 2009



(U//LES) ATF OSII, along with the IAO, Mexico Country Office (MCO) and border liaison agents, opened 1,508 criminal intelligence cases relating to the firearms and explosives seizures events in Mexico in 2009. The seizure events were collected, entered, and maintained under the N-Force Southwest Border (SWB) case numbers 164020-09-0001 and 162080-09 or 10-0001. Each N-Force seizure event contains the following information: all open source information pertaining to the event to include the weapons seized and persons detained; official Mexican and U.S. Government agency reports; information about the weapons seized; the firearms trace information; and any supporting documentation in connection with the seizure event.

(U//LES) In the majority of the SWB investigations, the identification, arrest and indictments were limited to the perpetrators, within the United States, that were part of the purchase and/or transportation components of the supply chains. There is valuable intelligence derived during the course of these investigations. The DTO intelligence and information are usually retained at the agent, field office or divisional level. The information is buried in the individual group and field office case files in each field division. As an agency, this silo system of individual investigations severely restricts the case agent's ability to locate other investigations related to their DTO targets and retrieve the information.

(U//LES) The collection, analysis and centralization of the DTO intelligence and information from the SWB cases are not being conducted at the field division level, and this information is not being forwarded to ATF headquarters to be analyzed and retained in a central repository. This limits ATF's ability to identify a DTO's multi-divisional firearms trafficking activities

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throughout the United States or to put together national or international firearms trafficking cases for prosecution.

(U//LES) Firearms trafficking investigations should encompass the full scope of criminal activities associated with DTO weapons, especially acts of violence and intimidation. All parties in a firearms trafficking organization (supply chain) are supplying firearms that are used in furtherance of the organization's violent criminal activities in both the United States and Mexico. Under Project Gunrunner, OSII and the MCO have been collecting information from the violent events occurring in Mexico, the perpetrators, the firearms recovered and the affiliation to a criminal organization. This is challenging because the DTOs are constantly changing alliances. If the information is fully developed, the end user's violent actions and their affiliation to a DTO would provide essential evidence to broaden the scope of the prosecution against firearms traffickers. By merging this evidence into the prosecution of a DTO firearms supply chain, the parties could be exposed to Federal organized crime charges (RICO, CCE, VICAR) and the maximum penalties allowable by law.

(U//LES) ATF OSII is monitoring and collecting information from the major ATF SWB investigations. OSII has established points of contacts and has personnel supporting Project Gunrunner investigations that are assigned to other U.S. Federal agencies at their headquarters level. OSII is merging case information with all available unclassified and classified information from all our U.S. and international partners.

(U//LES) ANALYTICAL CRITERIA USED TO COMPILE THE STATISTICS
CONTAINED IN THIS REPORT

Please be advised that a significant number of Mexico traces are currently being entered into the Firearms Tracing System (FTS); therefore, the Mexico recovered and traced data (especially CY 2009) will continue to change.

All of the following statistics have the following selection criteria in common:

- Traces with a recovery country of Mexico were included.
- Traces with a recovery date between January 1, 2009, and December 31, 2009, were selected; the statistics are based on a query of the FTS on June 15, 2010.
- Traces with a recovery date between January 1, 2008, and December 31, 2009, were selected; the statistics are based on a query of the FTS on March 9, 2010.
- Duplicate, Gun Buyback, Firearm Turned-in, and Firearm Not Recovered traces were not included.

MEXICO FIREARMS TRACING

(U//LES) It has been the stance of the GOM that the United States is solely responsible for the weapons being trafficked into Mexico. The Mexican media has fueled discussions that Mexico has a shared responsibility to confront the weapons trafficking into Mexico as well. The GOM rarely submits consistent requests for traces to ATF's National Tracing Center for the firearms

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recovered in Mexico. In the past several years, Mexican authorities have submitted requests, through eTrace, for less than 10 percent of all firearms recovered in Mexico. Furthermore, Mexican authorities do not provide ATF with the firearms data from those recoveries in a timely manner. In order for ATF to facilitate the tracing of these firearms, ATF obtains the firearms data from the Mexican authorities, other U.S. authorities or personally inspects the weapons.

(U//LES) Each year, ATF receives trace data from GC Armas reports, urgent requests for tracing, and CD(s) with data from thousands of recovered firearms. ATF started receiving a CD with [ATF] and over the last few years the data on the CDs grew to more than [ATF]. Finally, in August 2009, the Mexican military provided a CD containing an inventory of [ATF] entries for seized firearms, grenade launchers and ammunition being stored from recoveries from CY 2005 to August 2009. There were more than [ATF] firearms data entries, of which almost [ATF] percent were found to have been previously traced. The additional firearms data substantially changed the statistical information for that time period and the analysis of the 2008 Project Gunrunner Assessment.

(U//LES) The PGR's Center of Information, Analysis, and Planning to Fight Crime (CENAPI) was provided 10 computers and additional eTrace accounts in October 2009. They were given additional accounts, boosting them to 10. In March 2010, the Mexican Attorney General announced that he wanted all Mexican State law enforcement agencies to have eTrace access. The Mexican Federal Police (SSP) and some State governments have requested hundreds of accounts. The PGR has severely limited the dissemination of the accounts. The PGR/CENAPI maintains that they are capable of tracing all firearms seized in Mexico and therefore must assert its control of the eTrace system. The PGR reports that the GOM confiscated more than 83,000 weapons since December 2006. As previously stated, the PGR has an extremely poor record of tracing those weapons in eTrace during this time period. The PGR's current personnel levels and structure make it very highly unlikely to fulfill the task. It is imperative that to effectively stem the flow of firearms, eTrace must be utilized in a timely and efficient manner by entering the firearms data at the crime scene or shortly thereafter. The GOM should ensure that the proper personnel are dedicated to collecting the firearms data and submitting the traces in eTrace.

(U//LES) From CY 2007 to CY 2009, almost [ATF] firearms were recovered in Mexico and submitted to ATF's National Tracing Center for tracing. Of those, almost [ATF] were traced to the first retail purchaser. The top 5 acquisition States

[ATF]

The percentages of firearm recoveries per State for each of the calendar years (CY 2007 - CY 2009) are within a half percent. The total number of firearms traced to the first retail purchaser is consistently about [ATF] the total number of firearms recovered and traced in each of the calendar years (CY 2007 - CY 2009).

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ATF

diminish as the existing, dated source pool of firearms runs out. The California firearms registration and gun show laws, along with their strict enforcement, appear to have a severe impact on the straw purchasing of firearms.

(U//LES) Additionally, the type of firearm and the intended user are important to determine in order to differentiate between firearms trafficking to a DTO or other users. Of the ATF traces noted above, there were ATF

ATF The rifles were en route to the rural areas of Oaxaca, Mexico. Investigation revealed that the rifles were not being sent to a DTO. Under Mexican law, a .22 caliber rifle can be legally possessed in Mexico if it is registered. Only the remaining 5 firearms with a TTC of 1 year or less and the additional 20 firearms, for a total of 25, with a TTC of 5 years or less were potential DTO crime guns.

(U) *It is important to adopt these principles to determine the current DTO firearms trafficking trends and patterns.*

2009 Mexico Firearms Tracing

(U//LES) As of June 25, 2010, the National Tracing Center processed ATF firearms submitted for tracing that were recovered in Mexico during calendar year 2009. This is down ATF from the approximately ATF firearms recovered and traced in 2008. Using open source reporting as an indicator, there were most likely several thousand more firearms recovered in Mexico in 2009. It should be noted that the CD tendered in August 2009 only had information of firearms seized until July 2009. Since then, the Mexican authorities have gone back to their practice of not providing ATF with all their recovered firearms data in a timely manner.

(U//LES) Of the ATF traces, ATF were traced to the first retail purchaser. Of those, the top 5 acquisition States (source States) were ATF. ATF The other top source States were States surrounding the ATF and States surrounding the ATF. Within the continental United States, only ATF did not have any firearms traced back to individual purchasers. The average TTC for 2009 was ATF.

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(U//LES) A total of **ATF** firearms recovered in Mexico were identified as having been sold from an FFL at a gun show. This represents only **ATF** of all firearms recovered and traced from transactions by FFLs at gun shows nationwide in CY 2009. This percentage is slightly higher in **ATF** y. Only **ATF** arms recovered in Mexico were identified as having been stolen from an FFL; this number, while minimal, is still slightly higher than the previous 2 years.

CARTEL-CONTROLLED LANDSCAPE AND FIREARMS TRAFFICKING

ATF

(U) The *by the drug trafficking organizations (DTO)/Cartels in areas throughout Mexico at the end of 2008.*

(U//LES) Entering 2009, the DTO supply chains were faced with additional demands for firearms and ammunition in three areas. The Sinaloa cartel exerted their power in the State of Baja California against the Tijuana cartel and in the State of Chihuahua against the Juarez cartel, in a bid to gain control of these crucial cross-border transportation territories. This aggression, along with the military and law enforcement response, fueled additional demands for firearms, ammunition, explosives and other equipment. Their supply chains had to adapt to the increased demands and the transportation routes to the battleground areas. A major contributing factor for their success is that they meet the demand for manpower and firepower to overpower their rivals.

(U//LES) In 2006, La Familia Michoacána severed their alliance with the Gulf, Los Zetas and Beltran-Leyva cartels. They established their own firearms supply chains to gain power and facilitate the needs for their expansion. In 2009, they gained the majority control in their home State of Michoacán.

(U//LES) The Gulf cartel and Los Zetas suffered the loss of hundreds of firearms and explosives as a result of Mexican Government operations targeting them in mid 2008 and throughout 2009. Los Zetas suffered additional losses in Guatemala and Honduras.

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(U//LES) By mid 2008, the Beltran-Leyva Organization's (BLO) battles with the Sinaloa cartel began to subside, and they secured their own areas of control in the coastal areas of southern Mexico and made inroads into the State of Sonora. La Familia had launched a campaign to take control of the State of Michoacán.

2009 Mexican Organized Crime Related Gun Seizure Events

(U//LES) The Southwest Border Field Intelligence Support Team and EPIC have identified 329 Mexican seizure events in 2009 that were linked to specific DTOs based upon the reporting from open source and Mexican Governmental agencies. From the DTO-related seizure events, 126 events were matched to ATF arms recovered and submitted for tracing. Of the ATF firearms ATF successfully traced to the first retail purchaser. Texas was the top acquisition State in 2009 with the purchase of ATF DTO-related firearms.

ATF

(U) The a... *...control by the major trafficking Organizations (DTO)/Cartels in areas throughout Mexico at the end of 2009.*

GULF CARTEL/LOS ZETAS

(U//LES) Throughout 2009, Los Zetas and the Gulf cartel faced mounting opposition from the Mexican military and law enforcement authorities. Their rivals, the Sinaloa cartel and La Familia Michoacána, escalated the attacks against them. Their organizational tensions began to threaten their longstanding relationship. In spite of the enormous amount of aggression from every entity around them, they maintained control of all of their previous areas and expanded their control into portions of the State of Chiapas, Mexico, and the bordering nation of Guatemala. The U.S. Department of Justice and several Federal, State and local law

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enforcement agencies are vigorously pursuing arrest and prosecution of the Gulf cartel and Los Zetas hierarchy and key operatives.

(U//LES) From April 29, 2009, to August 28, 2009, ATF's Gun Runner Impact Team (GRIT) in the Houston Field Division conducted a successful firearms trafficking offensive in the south Texas area. The Houston GRIT was a supplemental initiative to ATF's Project Gunrunner. Extensive community outreach was conducted in conjunction with the Houston GRIT, including press releases, press conferences, and interviews with national or international news media. This intelligence-driven initiative focused on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico. They aggressively targeted firearms traffickers supplying criminal organizations in Mexico. The GRIT identified several firearms supply chain components, the majority of which were linked to the Gulf cartel and Los Zetas.

(U//LES) The most significant impact was on the acquisition (straw purchasing) component of these firearms supply chains. ATF industry operations investigators completed nearly 1,100 inspections of Federal firearms licensees (FFL), issued more than 440 violations, and recommended 78 adverse actions. These regulatory actions helped to identify and correct the neglectful compliance by the FFLs that straw purchasers had been exploiting. ATF partnered with the FFLs and provided training in identifying and dealing with illegal purchasers (straw) and firearms traffickers. The Houston GRIT successfully investigated more than 700 existing leads and more than 400 new leads that were developed during the operation. There were 276 new criminal and intelligence cases opened involving 189 suspects, and 644 firearms were identified as being trafficked to Mexico. The Houston GRIT seized 443 firearms, 141,442 rounds of ammunition and 3 blasting caps. They provided information to Federal, State, and local law enforcement partners that resulted in the seizure of an additional 171 firearms, bringing the total to 614 seized firearms.

(U//LES) The Houston GRIT's preventative tactics, criminal investigations and firearms seizures definitely affected the Gulf cartel and Los Zetas' ability to acquire firearms in a "business as usual approach." These efforts also effectively brought law enforcement's attention, at all levels, on the FFLs that were regularly utilized by the straw purchasing rings on behalf of the DTOs. All of these factors had an impact on the Gulf cartel and Los Zetas at a time when they were facing major offensives from the Mexican authorities and their rivals, as well as while experiencing internal turmoil.

Los Zetas/Gulf Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Gulf cartel and Los Zetas in 117 Mexican seizure events in which they were named separately (Zetas 70%, Gulf 30%) and together. The top seizure event States in Mexico are: 24 (21%) in Nuevo Leon; 16 (14%) in Tamaulipas; 15 (13%) in Jalisco; 9 (8%) in Chiapas; and 8

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(7%) in Veracruz. According to the open source reporting, there were 892 firearms and 782 grenades recovered in 21 Mexican States, with 19 or 20 percent occurring in the State of Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Gulf cartel/Los Zetas had recoveries in 16 different States in Mexico. There were [ATF] firearms recovered and traced that matched the open source seizure events. Of the [ATF] firearms recovered and traced, [ATF] were successful in identifying the first retail purchaser; [ATF] these purchases occurred in Texas. The average TTC w [ATF]

Significant Investigation:

(U//LES) In 2007, an investigation involving an FFL was opened in Houston, Texas, that led to the identification of a large-scale firearms trafficking organization. The investigation uncovered more than 23 participants involved in illegally acquiring and trafficking firearms. After numerous interviews with straw purchasers, three individuals residing in the Houston area were ultimately identified as the leaders of this trafficking ring. The investigation revealed that a high-ranking member of the Los Zetas organization provided the financing to one of the leaders for the firearms.

(U//LES) Throughout 2009, 16 individuals have been charged with firearms trafficking violations in the case. Several individuals have cooperated in this investigation and provided intelligence as to the workings of this trafficking organization. Approximately 336 various firearms, to include Bushmaster AR-15 rifles, Beretta 9mm pistols and FN 5.7 pistols, were purchased by this firearms trafficking organization. To date, 88 of these firearms have been recovered in Mexico, and 4 have been recovered in Guatemala. The firearms have been traced to 51 separate incidents in Mexico, in which 18 law enforcement officers and civilians have died, along with 37 DTO gunmen.

SINALOA CARTEL

(U//LES) Continuing throughout 2009, the aggressive actions of the Sinaloa cartel raged fiercely in and around the areas of Tijuana, Baja California, and Juarez, Chihuahua. The Beltran-Leyva expanded their presence in the State of Sinaloa and established a greater presence along the coast of the State of Sonora. The Sinaloa cartel gained the majority control in the State of Chihuahua and the eastern portion of the State of Sonora. They provided the additional manpower and resources to focus on the remaining forces of the Juarez cartel and gang associates. Also, they prepared for a confrontation with Beltran-Leyva in Sonora. All of these factors led to an extremely high demand to quickly obtain firearms, ammunition and equipment. This tasked the

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rival cartel members in charge of the firearm supply chains to obtain and transport record numbers of firearms to these hotspots.

Sinaloa Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Sinaloa cartel's involvement in 45 seizure events in Mexico. The top seizure event States in Mexico are: 20 (44%) in the State of Chihuahua; 11 (24%) in Sinaloa; and 5 (11%) in Jalisco. According to the open source reporting, there were 578 firearms and 60 grenades recovered in 9 Mexican States.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Sinaloa cartel had recoveries in ATF different States in Mexico. There were ATF of open source (firearms reported) firearms recovered and traced that matched the open source seizure events. Of the ATF firearms recovered and traced, ATF were successful in identifying the first retail purchaser; ATF of these purchases occurred in ATF

JUAREZ CARTEL

(U//LES) The Mexican military and law enforcement authorities were not successful in stopping the drug war in the State of Chihuahua. For more than 2 years, violent confrontations have raged between the Juarez and Sinaloa cartels. The cartel battles coupled with the intervention by the Mexican authorities have caused the loss of thousands of lives. The besieged Juarez cartel and their enforcement arm, La Linea, turned to the U.S.-Mexican gang, Barrio Azteca, to help them fend off the Sinaloa cartel. The Sinaloa cartel's control of the State of Chihuahua places the Juarez cartel under siege within portions of the city of Juarez. Their drug supply chains are cut off. Their firearms cross-border supply routes are restricted to the El Paso-Ciudad Juarez area where the Sinaloa cartel is gaining almost complete control. Without a breakthrough, the Juarez cartel will be dismantled or exterminated.

Juarez Cartel - La Linea - Barrio Azteca - 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Juarez cartel, La Linea and Barrio Azteca's involvement in 24 seizure events in Mexico. All of the seizure events occurred in the State of Chihuahua. According to the open source reporting, there were 64 firearms and 6 grenades recovered in these seizure events.

(U//LES) The open source reporting of seizure events in the State of Chihuahua lacks the reference to DTO affiliation and firearms information that prevents the matching of the data from the firearms recovered and traced in this State.

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(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. There were only 2 (8.3%) seizure events that matched the aforementioned 24 open source seizure events. There were a total of 181 seizure events in the State of Chihuahua in 2009, and from those there were 109 seizure events in Ciudad Juarez. The 24 Juarez cartel open source seizure events only account for 13 percent of the total 2009 seizure events. The Sinaloa cartel was confronting the Juarez cartel in the State during this time, and they only account for 20 seizure events or 11 percent of the total open source seizure events. These 44 events account for only 24 percent of the total open source seizure events and leave 137 seizure events not identified as being associated with a DTO.

(U//LES) Insufficient information was submitted to ATF's National Tracing Center for almost all of the firearms recovered and traced in the State of Chihuahua in 2009. The insufficient information prevented the matching of the trace data to the corresponding seizure events.

(U//LES) In 2009, the Mexican authorities in Chihuahua did not provide written official or open source reports on firearms recovered, and this precluded OSII from matching the firearms trace data to the seizure events. Rarely will the firearms trace data from a recovery in Mexico provide any information pertaining to the firearm's affiliation to a drug trafficking organization. The firearms recovered and traced information can only be matched to the analyzed open source reporting by having sufficient possessor, date and location information from the trace data.

(U//LES) There were **ATF** firearms submitted to ATF's National Tracing Center for firearms recovered and traced from the State of Chihuahua in 2009. This information is almost entirely nonexistent as evidenced by the fact that there were only **ATF** firearms identified in the 2 seizure events that matched Juarez cartel open source reporting. None were identified as matching La Línea and Barrio Azteca. Furthermore, there were only 5 of the 20 Sinaloa open source seizure events that matched **ATF** firearms recovered and traced in Chihuahua the same year. These **ATF** firearms only account for **ATF** of the total firearms submitted for tracing in 2009.

(U//LES) There were **ATF** of the total firearms recovered and traced that were successfully traced to the first retail purchaser. The trace information is valuable in identifying straw purchasers. However, without the DTO and seizure event information, the opportunity to expand the scope of the investigation and prosecution may be lost. The remaining **ATF** successful firearms traces show that the data pertaining to the firearms is not sufficiently being submitted for tracing.

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TIJUANA CARTEL

(U//LES) The fighting between the two factions of the Tijuana cartel continued throughout 2009. The fighting since February 2009 and the Mexican Government's intervention caused high demands for firearms and ammunitions. Their supply chains along the entire west coast and in Phoenix met these demands. According to Mexican authorities, the Sinaloa cartel and La Familia are also present in Baja California. The Sinaloa cartel is transporting bulk loads of drugs into Baja California for shipment to the United States. Mexican authorities have recovered large amounts of drugs, firearms, ammunition and cash from the Sinaloa in this area.

Tijuana Cartel/EL TEO – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Tijuana cartel and the El Teo DTO in 34 seizure events in Mexico. According to the open source reporting, there were 259 firearms and 4 grenades all recovered in Baja California.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Tijuana cartel and El Teo DTO had recoveries in Baja California. There were [ATF] percent of open source firearms reported) firearms recovered and traced that matched the open source seizure events. Of the [ATF] firearms recovered and traced [ATF] [ATF] were successful in identifying the first retail purchaser. There were [ATF] percent of these purchases) that occurred [ATF]

LA FAMILIA MICHOACANA

(U//LES) While La Familia Michoacana was establishing majority control in the State of Michoacán, they were also restructuring and expanding. They sent organizational members from Mexico and positioned them throughout the United States. These leaders had direct control of their retail distribution and supply chains within these areas. In doing so, they gained a substantial amount of profits from the U.S. retail market and greatly increased their drug trafficking abilities, which in turn elevated their organization to cartel status. All of these factors caused a greater demand for firearms and ammunition on their supply chains to protect their interests in Mexico.

(U//LES) In October 2009, the U.S. Department of Justice's Project Coronado dealt a devastating blow to La Familia's U.S. operations that severely impacted the entire organization. The 44-month investigation led to the arrest of more than 1,186 people and the seizure of approximately \$33 million, 7.5 metric tons of marijuana, 2 metric tons of cocaine, 13 kilograms of heroin, 1,240 kilograms of methamphetamine and 389 firearms. This once-emerging organization is now in the position of having to make alliances with other organizations to maintain their current status.

(U) 2009 Project Gunrunner Assessment

La Familia Michoacána – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified La Familia's involvement in 53 seizure events in Mexico. The top seizure event States in Mexico are: 25 (47%) in Michoacán; 13 (24%) in Mexico State; 7 (13%) in Guanajuato; and 6 (11%) in Guerrero. According to the open source reporting, there were 339 firearms and 68 grenades recovered in 5 Mexican States.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the La Familia had recoveries in the same five States in Mexico as in open source reporting. There were [ATF] percent of open source firearms reported) firearms recovered and traced that matched the open source seizure events. Of the [ATF] firearms recovered and traced, [ATF] were successful in identifying the first retail purchaser; [ATF] of these purchases occurred in Texas.

Significant Investigation:

(U//LES) In September 2008, ATF targeted an individual that paid cash in a multiple sale purchase of 20 AK-47 type rifles in Fort Worth, Texas. The investigation revealed that the target oversaw the purchases by numerous straw purchasers. The majority of the firearms purchased were AK-47 assault-style rifles and .50 caliber sniper rifles. It was determined that La Familia organization members from Mexico were in the United States and were part of this investigation. Hundreds of firearms were being transported to organization members in the State of Michoacán, Mexico.

(U//LES) Agents determined that some of these perpetrators were targets in a major Drug Enforcement Administration (DEA) investigation involving the La Familia DTO at which time a joint OCDETF investigation was initiated. Intelligence gleaned indicated that a high-ranking La Familia cartel member, who resided in Mexico, would contact buyers positioned throughout the United States for the acquisition of firearms to be transported into Mexico. Through numerous interviews and debriefs, investigators learned that the weapons were used primarily to protect the organization's narcotic manufacturing sites and to engage in drug war battles with other cartel organizations. On October 21, 2009, ATF executed six search warrants, recovering 15 firearms and arresting 10 defendants while participating in the take-down of the Department of Justice's Project Coronado.

BELTRAN-LEYVA ORGANIZATION

(U//LES) The Beltran-Leyva Organization (BLO) lost majority control of the State of Michoacán to La Familia. They maintained control of their remaining southern coastal States.

(U) 2009 Project Gunrunner Assessment

the coast of Sonora and costal portions of Sinaloa. The BLO maintained a strong relationship with Los Zetas in 2009. The BLO has arrangements with the Los Zetas to use their cross-border trafficking routes in Mexico along the south Texas border. The impending confrontation in the State of Sonora between the Sinaloa and Beltran-Leyva cartels came to a halt in mid December 2009, after the death of the BLO leader, Arturo Beltran Leyva, and the arrest of his brother, Carlos Beltran Leyva. This allowed the Sinaloa cartel to forge all the way to the U.S. border without any significant opposition.

Beltran-Leyva Organization – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Beltran-Leyva Organization's involvement in 30 seizure events in Mexico. According to the open source reporting, there were 349 firearms and 78 grenades recovered in 9 Mexican States. The top seizure event States in Mexico are: 7 (23%) in Guerrero; 7 (23%) in Morales; and 4 (13%) in Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data there were recoveries in five different States in Mexico. There were **ATF** percent of open source firearms reported) firearms recovered and traced that matched the open source seizure events. Of the **ATF** firearms recovered and traced, **ATF** were successful in identifying the first retail purchaser. **ATF** of these purchases occurred in

ATF and **ATF** occurred in **ATF**

(U) 2009 Project Gunrunner Assessment

2010 Updates



ATF

(U) The above map fair

(U) The battling by the two factions of the Tijuana cartel ended without a clear winner after the arrest of the leader of the challenging faction.

(U//LES) In 2009, the mounting tensions between the Gulf cartel and Los Zetas began to take its toll on their longstanding relationship. A shooting incident in February 2010 sparked major ongoing hostilities in the States of Nuevo Leon and Tamaulipas. The Sinaloa cartel and La Familia have aligned themselves with the Gulf cartel members in this area.

(U//LES) From 2009 into 2010, the Sinaloa cartel continued to expand and gain territorial control in Mexico. They gained control up to the Mexico side of the U.S. border from the eastern half of Arizona to east of El Paso, Texas. As a result, they have set up new cross-border firearms trafficking routes as far east as El Paso. They are now able to route firearms to disputed areas adjacent to the territory controlled by the Gulf cartel and Los Zetas. This provides the Sinaloa cartel a greater advantage to deliver firearms to the region at a time that the Gulf cartel and Los Zetas are engaged in a battle.

INTELLIGENCE GAPS AND RECOMMENDATIONS

Lack of Domestic Seizure Information

(U//LES) The lack of the exchange of information between U.S. Federal, State and local law enforcement agencies pertaining to domestic seizure events continues to present a huge intelligence gap in addressing the issue of gun trafficking into Mexico. The information

(U) 2009 Project Gunrunner Assessment

provides intelligence to assist in identifying individuals within the supply chain and the methodology as well as the location of stash houses and border crossings. Even though all our partner agencies are committed in this area, the exchange of information and joint investigations varies by region or field division. ATF has established strong relationships with our Federal partners at the headquarters level.

(U//LES) To further minimize this gap, ATF resources must be committed to increasing communication, collaboration, and training efforts with U.S. law enforcement agencies (i.e. ICE/CBP, DEA, fusion centers, and local police departments) to capture this information in a more timely and efficient manner. Comprehensive crime gun tracing is a must. ATF also needs to fully exploit witness/suspect interviews and post-arrest statements to fully answer the collection requirements common to all Project Gunrunner investigations.

Lack of Official Information Linking DTOs to Mexican Firearms Seizure Events

(U//LES) U.S. authorities are dependent upon the Mexican Government to obtain official information from the firearms seizure events in Mexico. The ATF Mexico Country Office has worked diligently with the GOM to further engage them in the tracing of firearms and the identification of DTOs in their seizure events. The MCO has shown some improvement in this area. However, ATF continues to rely on open source reporting for the majority of these seizure events. Additionally, the GOM's dissemination of official information identifying the associated DTOs in seizure events is sporadic at best. They rarely trace seized firearms and are not timely in furnishing the firearms data for traces to be submitted for them.

(U//LES) ATF's continued commitment to provide additional personnel and resources in Mexico is paramount to bridging the information and intelligence gap that is desperately needed to prosecute major international firearms trafficking cases. Over time, through a sustained commitment, effective communications and collaboration with the GOM, the Mexican authorities will have the opportunity to put in place their own effectively trained personnel and furnish this crucial information.

Consistent Internal ATF Reporting

(U//LES) ATF reporting on Project Gunrunner investigations on the U.S. side of the border, on seizure events on the Mexican side, and on overall significant events lacks continuity and conformity. Granted, information can be received from and reported by numerous arms of ATF (case agents in the field, border liaison officers, MCO attaches and assistant attaches, EEOs, FIG members, EPIC personnel, HQ OSII, etc.), but there must be some standards for reporting this information in N-Force as ATF's case management system. Incomplete reporting in N-Force sometimes causes searches by other ATF entities to retrieve negative results—when in fact, crucial information or intelligence does exist.

(U) 2009 Project Gunrunner Assessment

(U//LES) ATF personnel involved in Project Gunrunner must utilize N-Force to its fullest extent and in compliance with existing orders, so that information is not lacking in both the structured fields and free text sections of the system. Additionally, the collection requirements annotated in detail at the end of the Project Gunrunner Southwest Border Initiative Intelligence Collection Plan Update FY 2010 (published November 2009) should be adhered to for consistent and accurate reporting. Also, all elements of ATF, no matter to which reporting chain they belong, need to take an active role in communicating and coordinating Project Gunrunner data, so that efforts are not duplicated and that critical information is not left untouched.

CONCLUSION

(U) ATF remains at the forefront of the battle to eliminate the flow of firearms and munitions to Mexican DTOs. The demand by these organizations for U.S.-sourced firearms has never been greater. They have amassed enormous arsenals of semiautomatic and automatic assault rifles, machine guns, grenades and explosives. With these arsenals of weapons, they have handily confronted every level of Mexican law enforcement and the military. The territorial conflicts, internal battles and criminal violence have spiraled to unprecedented levels. These conflicts have risen to a level that some outside entities believe may even challenge Mexico's national security.

(U) ATF's Project Gunrunner is a huge undertaking that is expanding and adapting to meet the intelligence, investigative, and prosecutorial needs of international firearms trafficking cases. ATF is working in close collaboration with its domestic and international law enforcement partners to halt the violence along the Southwest border and throughout Mexico by denying the cartels the firearms, ammunition, and explosives that are essential for them to maintain power and control. However, OSII expects that the amount of violence, the number of seizure events and the number of firearms recovered will continue to increase throughout Mexico in FY 2010.

(U//LES) OSII points of contact are Southwest Border Team Leader [ATF] (202) 648- [ATF] Intelligence Research Specialist [ATF] (202) 648- [ATF] and Intelligence Research Specialist [ATF] (202) 648- [ATF]

From: ATF
To:
Subject: FW: SWB Initiative
Attachments: [Staffing Articles.doc](#)

FYI

ATF

Chief, Field Management Staff
(Field Operations)
99 New York Avenue, NE
Room 6 S 127
Washington, DC 20226
O 202-648-ATF
F 202-648-9611
C ATF

From: ATF
Sent: Thursday, June 12, 2008 10:17 AM
To: ATF
Cc: ATF
Subject: RE: SWB Initiative

Thanks ATF See the attached recent articles too.

Thanks

ATF

Case Management Branch
Field Management Staff
(202) 648-ATF

From: ATF
Sent: Thursday, June 12, 2008 9:12 AM
To: ATF
Subject: RE: SWB Initiative

Thanks ATF I was able to find some budget type write ups in Leg Affairs. We are going to work them up and will share a final product shortly.

ATF

Chief, Office of Strategic Management
Office: 202-648-ATF
Cell: ATF
HQ Room: 5 E 407

From: Serrano, Ricardo
Sent: Thursday, June 12, 2008 9:55 AM
To: ATF
Subject: SWB Initiative

Chris

HOCR-ATF A 000236

DOJ-FF-30809

This the SWB Initiative prepared in June 2007.

ATF

Case Management Branch

Field Management Staff

(202) 64

ATF

Times (El Paso, Texas) 6/8/08

U.S., Mexican lawmakers have talks

By Diana Washington Valdez / El Paso Times

Juarez Violence

U.S. and Mexican legislators will meet this weekend in Monterrey, Mexico, to discuss issues of mutual interest to both countries, including immigration, trade and border security.

U.S. Rep. Ciro Rodriguez, D-Texas, whose district stretches from far East El Paso to San Antonio, is part of the Mexico-U.S. Interparliamentary Group, which meets once a year.

"I have worked closely with U.S. Sen. Kay Bailey Hutchison (R-Texas) on bills to help to stop illegal activity by cracking down on illegal gunrunning, and to address the issue of increased wait times on the border by gathering better data on wait times," Rodriguez said Friday.

"We must continue to have the special relationship we have had with Mexico and I will work this weekend to continue that relationship."

He said U.S. lawmakers were considering a bill to enable the **Bureau of Alcohol, Tobacco and Firearms** to hire, train and deploy 80 more special agents, some of whom would be assigned to the **Project Gunrunner** Teams that investigate weapons trafficking into Mexico.

Another bill, the Border Wait Times Study Act, would document the economic impacts wait times at international crossings are having at the borders with Canada and Mexico.

dvaldez@elpasotimes.com; 546-6140

CQ Politics.com 6/10/08

Foreign Drug-Trafficking Bill Passes in House

CQ TODAY MIDDAY UPDATE
June 10, 2008 – 1:41 p.m.

HOGR-ATF A 000238

DOJ-FF-30811

The House on Wednesday passed a three-year, \$1.6 billion plan to fight drug trafficking from Mexico and Central America.

The funding would be used to train and equip security forces, strengthen the rule of law and judicial systems, and boost a U.S. program to prevent guns from traveling illegally into Mexico.

The bill, which passed 311-106, largely reflects a plan developed by President Bush and Mexican President Felipe Calderón known as the Merida Initiative, for the Mexican city where the leaders unveiled it in 2007.

The bill would authorize \$595 million for fiscal 2008, \$645 million for fiscal 2009 and \$350 million for fiscal 2010.

The Senate supplemental would provide \$450 million for fiscal 2008; the House version would include \$461.5 million. The administration had requested \$550 million.

Members cited Mexico's increasingly violent drug war, which has taken some 6,000 lives in the last two years, including recent assassinations of two top police officials.

"Mexico is burning," said Rep. Brian P. Bilbray, R-Calif., who represents an area north of San Diego. "We are not taking on a war on drugs down at the border, we are taking on the battle against narcoterrorism."

The bill would authorize \$1.1 billion for Mexico, \$405 million for Central America and **\$73.5 million for Bureau of Alcohol, Tobacco, Firearms and Explosives programs that target the smuggling of guns into Mexico from the United States.**

Several Texas Republicans said the bill should have included programs to address illegal immigration and the drug trade on the domestic side.

"It is inexcusable, it is intolerable to send one dime to the Mexican government when they can afford to pay for this equipment themselves," said John Culberson, R-Texas. "But more importantly, our southern border is not secure

[Return to the top](#)

Associated Press 6/10/08

House gives boost to aid for Mexico drug war

By SUZANNE GAMBOA / Associated Press

The House on Tuesday authorized spending \$1.6 billion over the next three years to help Mexico and other countries counter growing drug violence and the cartels behind it. But the money isn't assured.

The bill, approved 311-106, would not provide any money to Mexico. That could come separately in pending bills funding the wars in Iraq and Afghanistan and future appropriations bills.

The House and Senate are negotiating with the administration on the war spending bills to avoid a threatened veto by President Bush.

In addition, the Mexican government is opposing the anti-drug trafficking aid in the war bills because of requirements in it that Mexico says interfere with its sovereignty. A delegation of congressional members met with Mexico officials over the weekend to discuss Mexico's concerns.

In the bill passed Tuesday, the House authorized about \$1.1 billion for Mexico between 2008-2010; \$405 million for Central America and Caribbean countries and \$74 million for the Justice Department to stem the flow of U.S. guns into Mexico.

The money authorized for anti-gun trafficking was proposed in a stand-alone bill drafted by Rep. Ciro Rodriguez, D-San Antonio.

The provision authorizes spending \$15 million through 2010 to expand the **Justice Department's Project Gunrunner Initiative and the Alcohol, Tobacco and Firearms** efforts on the southern border to find the U.S. sources for guns used in Mexico drug crimes.

If it is eventually funded, ATF could hire 80 special agents who would staff seven new teams to investigate trafficking and assign 12 agents to Mexican consulates to help trace seized weapons and train Mexico law enforcement to do the same.

The bill includes some human rights conditions and monitoring of how equipment and training have been used "to make sure U.S. taxpayer dollars are going to support practices consistent with our values," said Lynne Weil, a spokeswoman for Rep. Howard Berman, who chairs the Foreign Affairs Committee.

Bill supporters on Tuesday repeatedly praised Mexico President Calderon for escalating his war against the drug cartels. They raised concerns about drug violence in Mexico spilling into the U.S. and noted the slaying of Edgar Millan Gomez, Mexico's acting federal police chief, a position similar to U.S. FBI director. Gomez was shot by a lone gunman May 8 outside his Mexico City apartment. Police blamed the Sinaloa drug cartel.

"It's high time for the United States to do more than applaud President Calderon's courage. We must work together to tackle this difficult problem," Berman said.

But some disagreed. Two Texas Republican lawmakers, Reps. Ted Poe and John Culberson, thwarted Berman's effort to pass the bill on a voice vote.

"We need to defeat this legislation until our southern border is secure," Culberson said.

From:
To:
Subject:

ATF

FW: Project Gunrunner Groups

FYI

ATF

Chief, Field Management Staff
(Field Operations)
99 New York Avenue, NE
Room 6 S 269
Washington, DC 20226
O 202-648-ATF
F 202-648-9611
C ATF

From: Carroll, Carson W.
Sent: Tuesday, March 18, 2008 2:54 PM
To: Webb, J. Dewey; Newell, William D.; Golson Sr., Michael A.; Torres, John A.
Cc: ATF
Subject: Project Gunrunner Groups

SACs,

If you have not done so already, please submit the paperwork for the establishment of the previously discussed Project Gunrunner group to Chief, FMS. Also, send me an electronic version because we are going to write up an OCEDTF initiative, similar to what Houston has already proposed.

- San Diego
- El Paso
- Tucson
- San Antonio - received
- Houston - Reseived

HOGR-ATF A 000242

DOJ-FF-30815

From: [Carroll, Carson W.](#)
To: ATF
Subject: Power Point
Attachments: [Gunrunner 2008 power- point 1-29-08.ppt](#)

PROJECT GUNRUNNER

Southwest Border Initiative



Bureau of Alcohol, Tobacco, Firearms & Explosives



Project Gunrunner



What is Project Gunrunner???

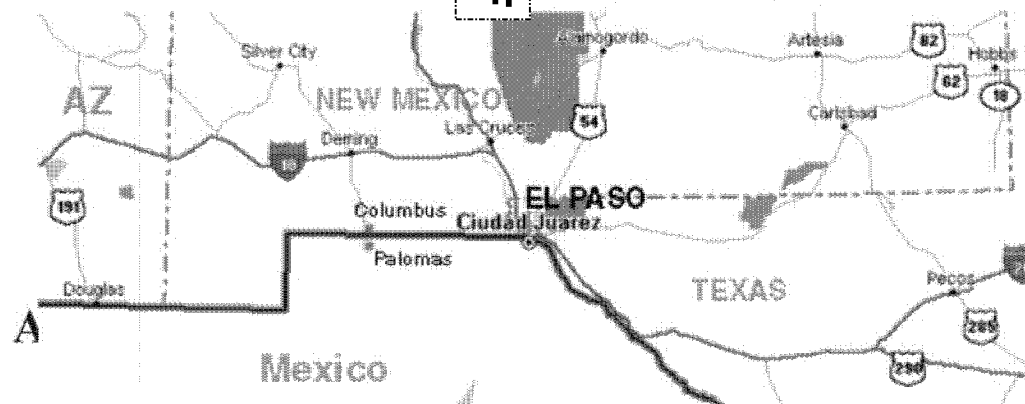
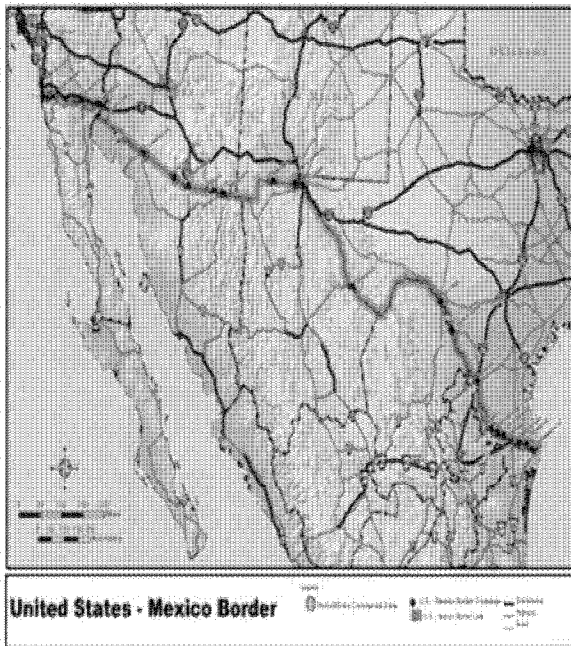
- U.S. Department of Justice (DOJ) implemented the Southwest Border Initiative in order to meet and defeat the growing threat of violence along the U.S. and Mexican Border.
- ATF's part in the Southwest Border Initiative is called Project Gunrunner.



Project Gunrunner

Phoenix Field Division Border Office Staffing

- For Arizona and New Mexico
- Phoenix (ATF Agents, ATF IOIs)
- Tucson (ATF Agents)
- Yuma (ATF Agents)
- Las Cruces (ATF Agents)

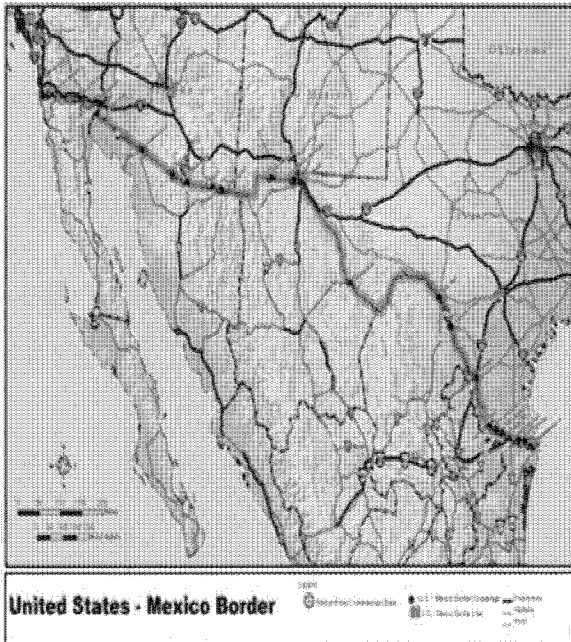




Project Gunrunner

Houston Field Division Border Office Staffing

- Laredo (ATF Agents)
- Houston (ATF Agents, ATF IOI)
- San Antonio (ATF Agents, ATF IOIs)
- McAllen (ATF agents, ATF IOIs)



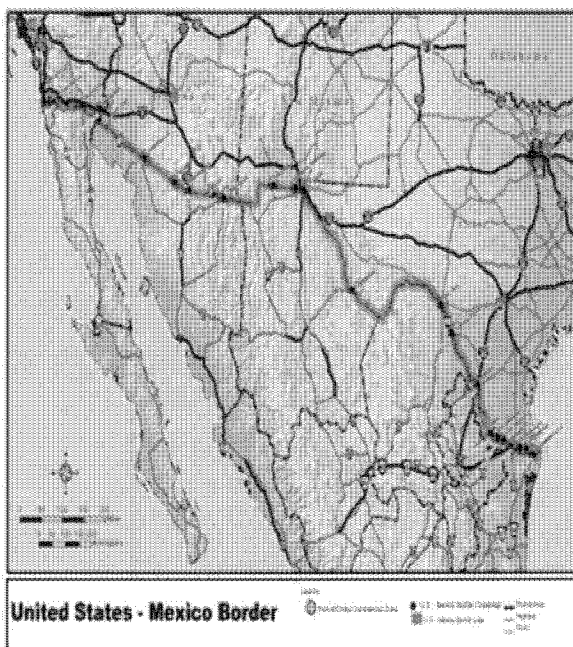
HOG-R-ATF A 000247



Project Gunrunner

Los Angeles Field Division Border Office Staffing

- San Diego (ATF Agents, (ATF IOI))
- Los Angeles (ATF Agents)

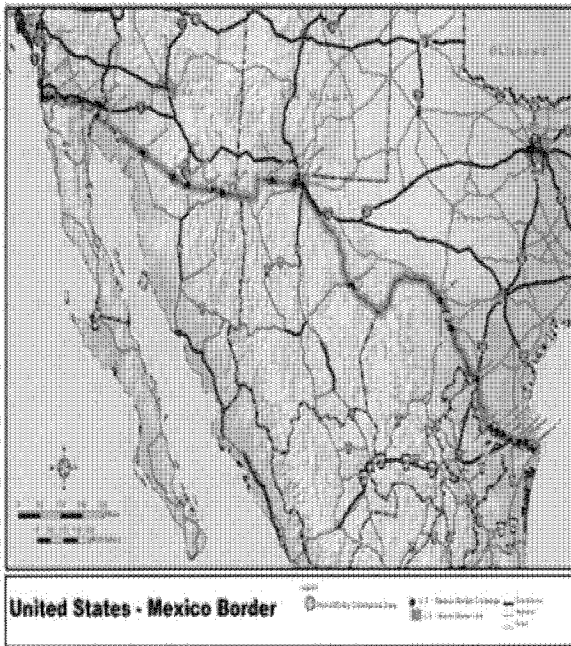




Project Gunrunner

Dallas Field Division Border Office Staffing

- Dallas (ATF Agents)
- Lubbock (ATF Agents, ATF IOIs)
- El Paso (ATF Agents, ATF IOIs)



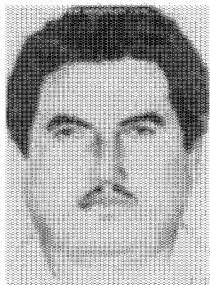


Project Gunrunner

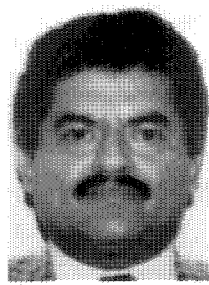
Threat Overview

The Mexican Drug Cartels use firearms – “weapons of choice” - to protect their leadership, loads and territory

The Sinaloa Cartel
AKA: The Golden Triangle Alliance
The Federation



VICENTE
CARILLO
FUENTES



JUAN JOSE
“EL AZUL”
ESPARRAGOZA
MORENO



ISMAEL
“EL MAYO”
ZAMBADA
GARCIA



IGNACIO
CORONEL
VILLARREAL



JOAQUIN
“EL CHAPO”
GUZMAN



Project Gunrunner

Threat Overview Con't.

U.S. and Mexico are being affected by the war being fought between each of the various Drug Cartels and the Mexican government for control of the Borders. ATF covering 2000 miles of US/Mexico border.

NARCO-BATTLEFRONTS

Arellano Felix Organization

Sinaloa Cartel



Juarez Cartel

Gulf Cartel

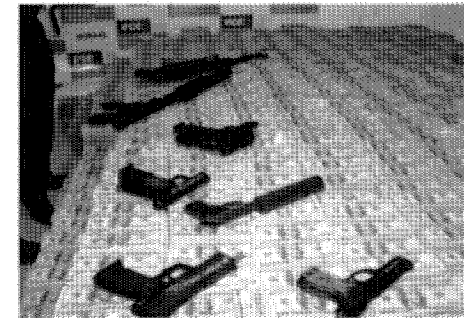
Nuevo Laredo Corridor
Golden Triangle
Tijuana and Baja California



Project Gunrunner

Alarming Trends

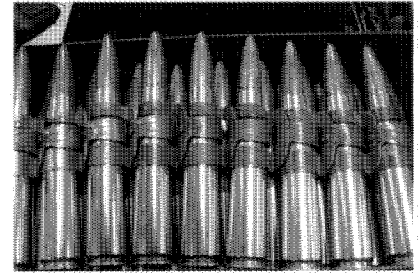
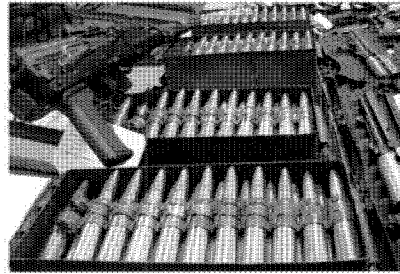
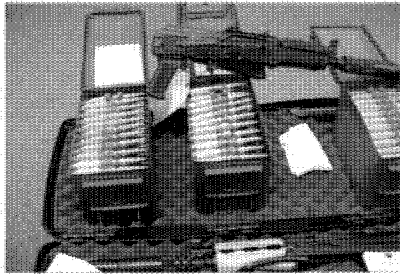
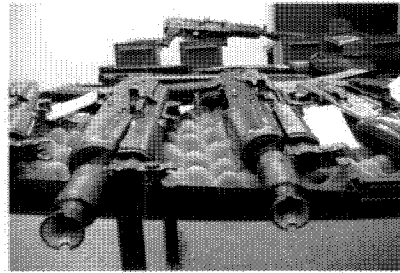
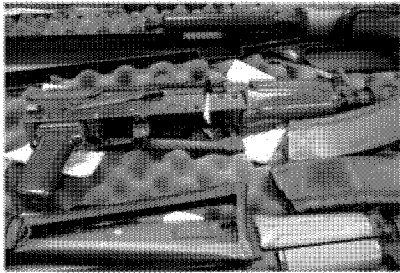
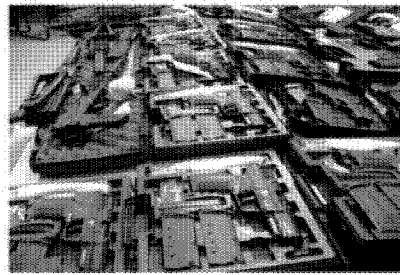
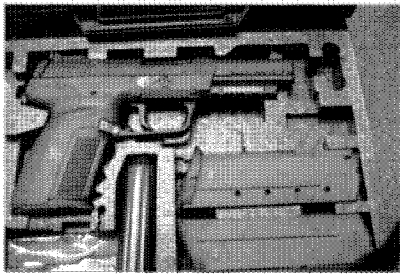
- Increased trafficking of high powered firearms and ammunition "Weapons of Choice"
- Increased Violence North & South of the Border due to on-going drug cartel turf battles and illegal immigrant trafficking
- In the first two weeks of December, 2007 ATF agents in the Phoenix FD seized 111 firearms destined to Mexico, 98% of which were "weapons of choice".
 - Also seized was 9000 Rounds of Ammunition of which, 8000 rounds were 7.62mm ammunition (AK-47) and 400 rounds of .50 caliber ammunition .
- It was determined that these firearms were obtained through traditional sources of supply in the Phoenix area such as: Gun Shows, Straw Purchases and FFL's





Project Gunrunner

Gun Show Seizure



HOG-R-ATF A 000253

Southwest Border Initiative "Weapons of Choice"

- Primary New Weapons of Choice

B
R
F
C
ATF

- Additional New Weapons of Choice

D
B
T
ATF

- Secondary Market Inspection Weapons of Choice

ATF

ATF

ATF



Project Gunrunner

December 1-2, 2007
Phoenix Gun Show



- The Phoenix Gun Show operation culminated in the arrest of 16 people, the recovery of 16 “weapons of choice” rifles, 19 handguns, \$13,000 in cash, a 2007 Ford F-150 King Ranch 4 door, 60 high-capacity magazines for AK-47 clones, and nearly 10,000 rounds in ammunition.
- A dozen undocumented aliens who were patrons of the gun show were taken into custody and a large amount of criminal intelligence was gathered, including intelligence on firearms trafficking into Mexico supporting Southwest Border Initiatives.



Project Gunrunner

Recent Phoenix Firearms Trafficking Investigation

Total number of firearms purchased from January 2006 thru January 2007:

ATF

Firearms trafficked to Mexico included the following:

-) Colt .38 Supers
-) AK-47 style rifles
-) Beretta 9mm pistols
-) Bushmaster .223 rifles

Total number of firearms recoveries:

-) recovered firearms
-) recovered in Mexico with a time to crime as short as one day to as long as 22 days (all Bushmaster .223)
-) recovered in Phoenix, AZ
-) recovered in Tucson
-) recovered in Peoria

Firearms Seized by ATF: 10 firearms seized along with approx. 32,000 U.S Currency on 3/16/2007

Total number of firearms purchased from January 2006 thru January 2007: 336 firearms

Firearms trafficked to Mexico included the following:

-) Colt .38 Supers
-) AK style rifles
-) Beretta 9mm
-) Bushmaster .223 rifles
-) Glock 9mm
-) FN Herstal 5.7

Total number of firearm recoveries: Recovered in Mexico, Time to Crime

Firearms Seized by ATF: (31) firearms recovered on 11/26/2007



Project Gunrunner

December 17, 2007

YUMA SEIZURE

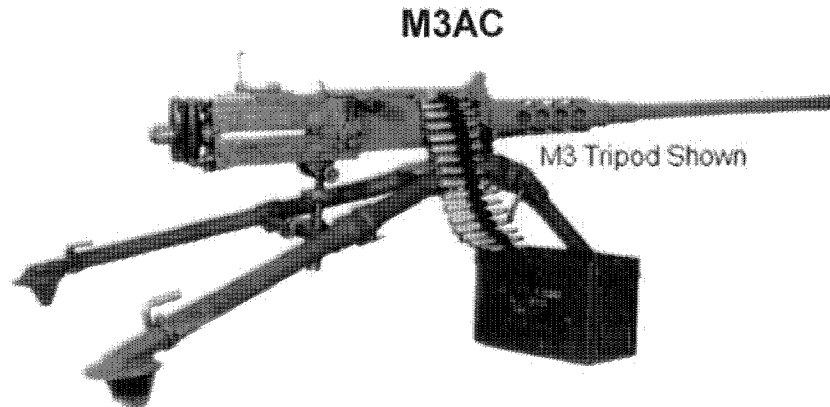
Recovery of 42 Firearms pursuant to Southwest Border Initiative

While conducting an investigation at the Phoenix Gun Show, agents from the Phoenix I Field Office were advised of a suspicious purchase of 2 AK-47 type, semi-automatic pistols by a male subject and also left a \$5,000.00 deposit for 10 additional firearms. Surveillance resulted in the observation of 9 firearms being loaded into a vehicle and eventually transported to a storage facility in Yuma, AZ.

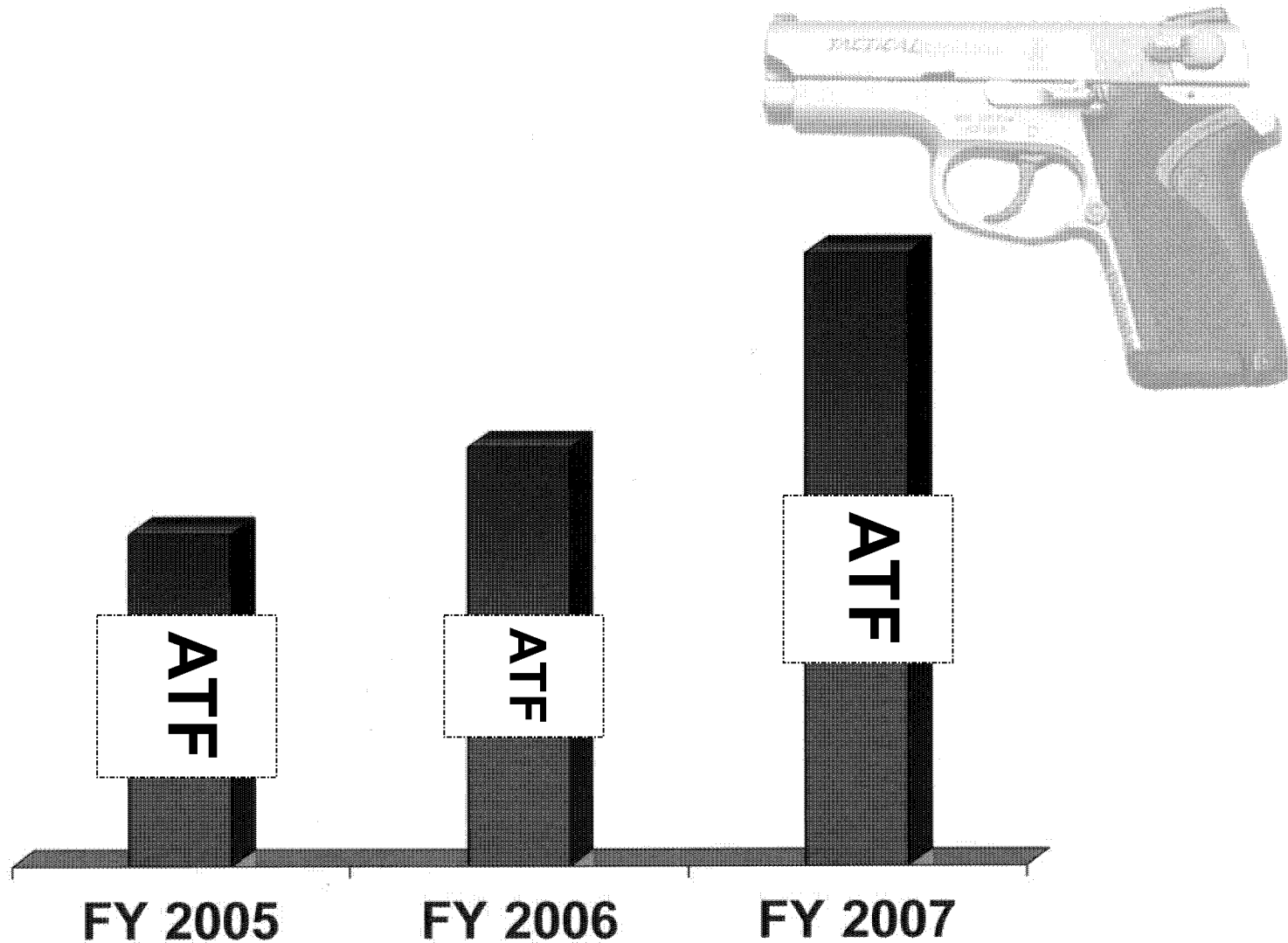
Surveillance and consented search of the storage locker resulted in the seizure of :

(12) FN Five Seven 5.56mm pistols; (1) .22 caliber Browning pistol; (2) 9mm Beretta pistols; (3) 9mm Glock pistols; (1) 9mm Smith & Wesson pistol; (12) AK-47 type assault rifles; and (9) AK-47 type pistols. Also recovered was a large cache of ammunition, which included .50 caliber rifle ammunition.

A follow-up investigation to the Yuma Seizure has revealed that this is one of the firearms successfully smuggled into Mexico.



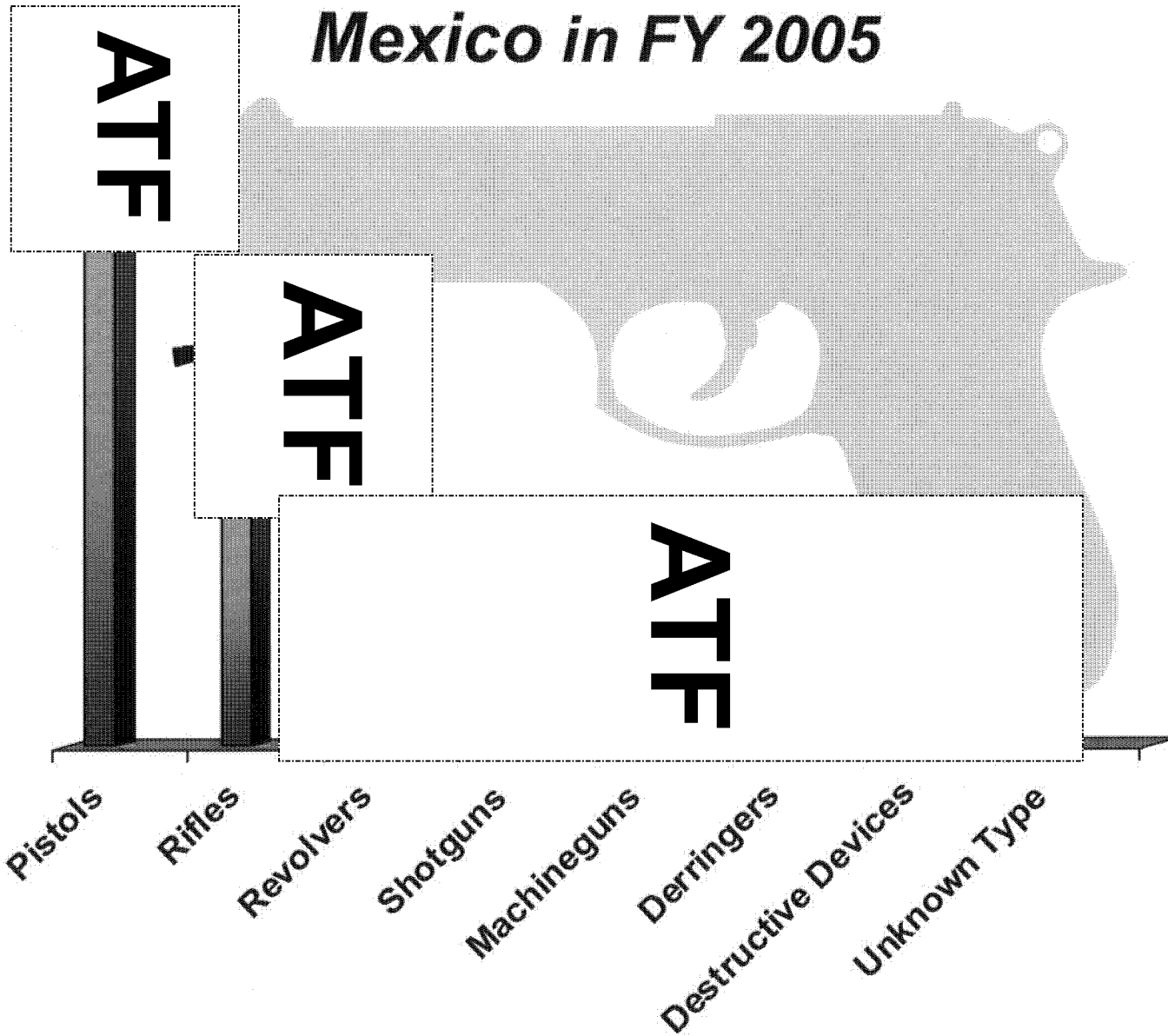
Total Number of Firearms Submitted for Tracing by Mexico by Fiscal Year



HOGR-ATF A 000258

Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of Strategic Intelligence and Information

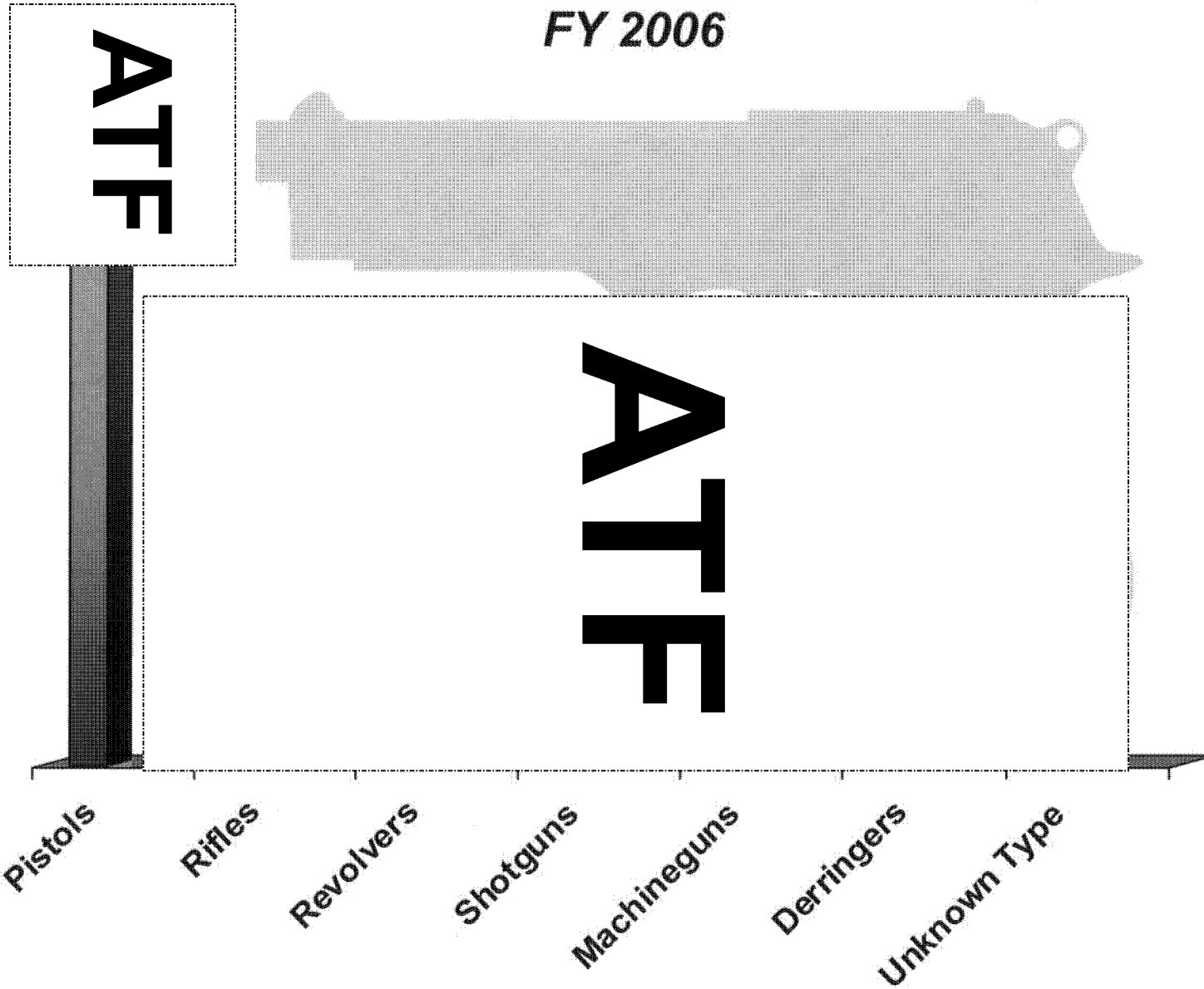
Traced Firearms by type Recovered in Mexico in FY 2005



HOCR-ATF A 000259

Most Common Firearms Traced by Mexico

FY 2006



HOGR-ATF A 000260

Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of Strategic Intelligence and Information